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**SECRETARY, BOARD OF
OIL, GAS & MINING**

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

IN THE MATTER OF THE REQUEST FOR
AGENCY ACTION OF ULTRA RESOURCES, INC.
FOR AN ORDER AUTHORIZING THE FLARING
OF GAS IN EXCESS OF THE AMOUNTS
ALLOWED UNDER UTAH ADMIN. CODE RULE
R649-3-20(1.1) FROM THE THREE RIVERS #2-13-
820 AND THREE RIVERS #2-23-820 WELLS
LOCATED IN SECTION 2 OF TOWNSHIP 8
SOUTH, RANGE 20 EAST, SLM, UINTAH
COUNTY, UTAH

PETITIONER'S EXHIBITS

Docket No. 2014-011

Cause No. 142-11

Pursuant to Utah Admin. Code Rule R641-105-500, Petitioner Ultra Resources, Inc. ("Ultra"), by and through its counsel of record, MacDonald & Miller Mineral Legal Services, PLLC, hereby respectfully submits the following exhibits intended to be offered into evidence in support of its Request for Agency Action ("RAA") at the February 26, 2014 hearing on this cause:

EXHIBIT "A" – Ultra's witnesses' resumes (collectively 6 pages):

- Ned Higgins – Senior Landman
- Jason Gaines – Business Development Manager/Reservoir Engineer

EXHIBIT "B" – A true and correct copy of the Board's Order entered in Cause No. 270-02 (17 pages)

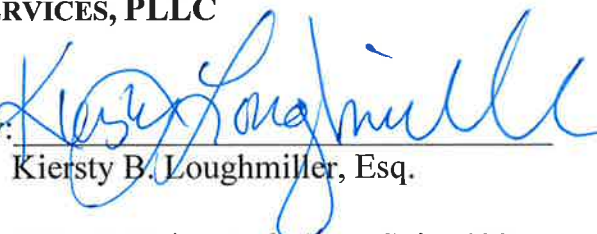
EXHIBIT "C" – General reference locator plat (1 page)

EXHIBIT "D" – Plat reflecting the planned pipeline route to existing pipeline (collectively 2 pages)

- EXHIBIT “E” –** Plat reflecting mineral and leasehold status (1 page)
- EXHIBIT “F” –** DOGM approved Sundry Notices allowing an extension to flare gas from the Subject Wells (also previously submitted as Exhibit “1” to the RAA) (4 pages)
- EXHIBIT “G” –** Cumulative Production Plots for the Subject Wells (collectively 5 pages)
- EXHIBIT “H” –** Gas Analysis for the Subject Wells (1 page)
- EXHIBIT “I” –** EUR summary for each of the 2 Subject Wells (1 page)
- EXHIBIT “J” –** Cumulative gas flared totals for the 2 Subject Wells (1 page)
- EXHIBIT “K” –** Gas Disposition Options Summary (1 page)
- EXHIBIT “L” –** Justification for Flaring Option (1 page)
- EXHIBIT “Z” –** True and correct copies of return receipts indicating receipt of a copy of the RAA by, or of the mailings of the RAA returned as undeliverable to, or of USPS inquiries as to the status of mailings of the RAA to, parties identified in the Certificate of Service dated January 13, 2014 on file in this cause (to be supplemented prior to hearing) (collectively 1 page)

Respectfully submitted this 27th day of January, 2014.

**MACDONALD & MILLER MINERAL LEGAL
SERVICES, PLLC**

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Professional Profile

I graduated from Montana Tech of the University of Montana (Magna Cum Laude) in May, 2001, with a B.S. in petroleum engineering. I became a registered professional engineer in the state of Texas in 2005.

- | | |
|---|---|
| <ul style="list-style-type: none">• Proficient in MS Office• Proficient with Aries• Proficient in PEEP• Experienced with Landmark VIP• Experienced with Enable• Multiple operations applications | <ul style="list-style-type: none">• Classical reservoir engineering• Oil and gas operations experience• EOR experience• Offshore experience• Tight gas experience• Project management experience |
|---|---|

Professional Experience

Ultra Petroleum Corporation, Denver, CO
08/15/2013 – Present

Business Development Manager

Responsibilities:

- Asset Evaluations
- Corporate Evaluations
- Portfolio Evaluation

Ultra Petroleum Corporation, Denver, CO
07/01/2011 – 08/14/2013

Asset Manager (Pennsylvania Marcellus)

Responsibilities:

- Partner (JV/AMI) Relations
- Reservoir management
- Reserve quantification
- Commercial solutions
- Development planning

Ultra Petroleum Corporation, Denver, CO
01/01/2011 – 06/30/2011

Manager Reservoir Engineering (Pennsylvania Marcellus)

Responsibilities:

- Reservoir management
- Reserve quantification
- Commercial solutions
- Development planning

Ultra Petroleum Corporation, Denver, CO
05/01/2009 – 12/31/2010
Sr. Reservoir Engineer (Pennsylvania Marcellus)

Responsibilities:

- Reservoir management
- Reserve quantification
- Commercial solutions
- Development planning

Anadarko Petroleum Corporation, Denver, CO
11/01/2008 – 04/30/2009
Project Manager (Rockies Enhanced Oil Recovery – Salt Creek CO2 Flood)

Responsibilities:

- Lead team to guide phased development
- Align all project stakeholders
- Budget and provide guidance
- My primary responsibility is to move the phase development of the Salt Creek CO2 flood forward, through influential leadership and close interaction with field personnel, facilities engineers, reservoir engineers, drilling engineers, operations engineers, and regulatory bodies.

Anadarko Petroleum Corporation, Denver, CO
01/12/2007-10/31/2008
Sr. Reservoir Engineer (Rockies Enhanced Oil Recovery – Monell CO2 Flood)

Responsibilities:

- Reservoir management
- Reserve quantification
- Commercial solutions
- Development planning
- My primary objective was to maximize the value of the Monell CO2 flood, through surveillance, minimizing CO2 utility while maximizing oil production.

Anadarko Petroleum Corporation, The Woodlands, TX
02/01/2006-01/11/2007
Sr. Reservoir Engineer (Gulf of Mexico – K2 Complex)

Responsibilities:

- Construct static and dynamic simulation models
 - Perform history-matching simulations
 - Assess field performance and estimated ultimate recovery
 - Analyze development plans utilizing reservoir models
 - My primary objective was to integrate model and performance data to develop a better understanding of the reservoirs at the K2 complex.
-

Anadarko Petroleum Corporation, The Woodlands, TX

04/22/2004-01/31/2006

Sr. Reservoir Engineer (Eastern Gulf of Mexico – Independence Hub Project)

Responsibilities:

- Perform extensive economic analysis
- Evaluate and propose development and exploration wells
- Analyze core data
- Develop proven and probable field reserve estimates
- Write technical regulatory documents
- Participate in project sanctioning
- My primary objective was to analyze field resource potential, assess risk and perform extensive economic analysis to justify development and explorations wells and to sanction the Independence Hub and the fields to be developed with the Independence Hub.

Anadarko Petroleum Corporation, The Woodlands, TX

08/28/2003-04/21/2004

Reservoir Engineer (Gulf of Mexico – Shelf SMI Complex)

Responsibilities:

- Economic analysis pertaining to drilling wells, recompleting wells, workovers, and property divestment
- Reserve estimation
- Risk assessment
- Evaluate exploration and development projects
- My primary objective was to evaluate and recommend quality projects, maintain SEC economic cases for my areas, and evaluate fields for divestment (South Marsh Island, Eugene Island, Ship Shoal, East Cameron, and West Cameron areas).

Anadarko Petroleum Corporation, The Woodlands, TX

06/15/2002-08/27/2003

Production Engineer (Mid-continent – Oklahoma Operations)

Responsibilities:

- Monitoring well performance
 - Designing completions
 - Designing workovers and recompletions
 - Artificial lift design and implementation
 - Pipeline operations
 - Economic analysis
 - My primary objective was to optimize the production in my area, design and implement effective completions and ensure proper pipeline operations (Golden Trend, NEPHU, and Rush Creek fields).
-

Anadarko Petroleum Corporation, Amarillo, TX

06/06/2001-06/14/2002

Production Engineer (Mid-continent - Kansas Operations)

Responsibilities:

- Monitoring well performance
- Designing workovers and recompletions
- Artificial lift design and implementation
- Economic analysis
- My primary objective was to optimize the production in my area (Panoma Council Grove, Morrow, St. Louis formations).

Anadarko Petroleum Corporation, Liberal, KS

05/22/2000-09/01/2000

Engineering Intern (Mid-continent – Kansas)

Education

Montana Tech of the University of Montana, Butte, MT

Bachelor's of Science, Petroleum Engineering

May, 2001

References

References are available upon request.

NED HIGGINS

Nhiggins1@msn.com
5937 Sandrock Drive
Evergreen, Colorado 80439
(303) 910-0679

PROFESSIONAL EXPERIENCE

8/12 to present

Senior Landman - *Ultra Petroleum; Denver, Colorado*

Senior Landman for Ultra Petroleum's Pennsylvania-Marcellus team. Coordinate activities and provide recommendations to management on all land matters in Shell Western Marcellus Joint Venture. Specific responsibilities include hiring and supervising brokers, hiring and coordination of title attorneys, title clearance, partner negotiations, lease acquisition, budgeting and project scheduling. Other responsibilities include mentoring of junior landmen, negotiation and preparation of all agreements in support of Ultra's drilling activity in the Pennsylvania-Marcellus area including: JOA's, Participation Agreements, Purchase and Sale documents, Pooling and Unitization Agreements, Surface Damage Settlements and Farmout Agreements.

7/11 to 7/12

Senior Landman - *Anschutz Exploration; Denver, Colorado*

Manage activities and provide recommendations to Vice President of Land for 600,000 acre prospect area in Glacier County Montana. Specific responsibilities included hiring and supervising brokers, hiring and coordination of title attorneys, title clearance, partner negotiations, lease acquisition, budgeting and project scheduling related to *Anschutz* drilled wells. Filed for the formation of three Federal Exploratory Units and assisted in the administration of an additional three Federal Units. Utilized up to three brokerage companies with a combined total of approximately 11 field landmen. Other activities and responsibilities included: daily coordination with Bureau of Land Management, Bureau of Indian Affairs, and the Blackfeet Nation Tribal Council; testifying relative to company matters at Montana Oil and Gas board hearings; and oversight of all Federal and State regulatory filings for all *Anschutz* drilled wells.

9/06 to 7/11

Senior Landman - *Forest Oil Corp; Denver, Colorado*

Senior Landman for Forest Oil Corp's East Texas team. Coordinate activities and provide recommendations to management on all land matters in East Texas region. Specific responsibilities include hiring and supervising brokers, hiring and coordination of title attorneys, title clearance, partner negotiations, lease acquisition, budgeting and project scheduling related to Forest Oil Corp drilled wells. Other responsibilities include negotiation and preparation of all agreements in support of Forest Oil Corp drilling activity in assigned regions including: JOA's, Participation Agreements, Production Handling Agreements, Purchase and Sale documents, Pooling and Unitization Agreements, Surface Damage Settlements and Farmout Agreements.

10/03 to 9/06

Director of Producer Services - *Sequent Energy Management; Houston, Texas*

Started a Producer Services group within Sequent Energy to secure wellhead supply and offer gas storage, gas transport and structured products and risk management services to the exploration and production community in the Eastern United States. Responsible for increasing wellhead volumes by 400,000 MMBtu/d as well as increasing the number active

trading counterparties by 48. Under my direction Sequent's Producer Services group generated over \$ 8 MM in revenue for 2005.

1/03 to 10/03

Partner - *Creed Power; Houston, Texas*

Together with two principals from Genova Power and funding from Wal-Mart, co-founded a PUC certificated Retail Power Provider pilot project to purchase Wal-Mart's retail power in ERCOT. Creed power was sold to Wal-Mart and internalized with-in Wal-Mart in October of 2003.

4/02 to 1/03

Energy Consulting - *Genova Power Company; Dallas, Texas*

Provided consulting services relative to the formation of a retail power marketing company doing business in the state of Texas. Specific tasks and duties included: assistance in the development of a business plan; preparation of all economic models and proformas; and joint responsibility for presentations to equity partners.

4/98 to 12/01

Manager - *Enron North America; Houston, Texas*

Manager in Enron Americas **Upstream Origination** group, with responsibility for the origination of commercial power and gas transactions in the upstream energy industry. Served as lead analyst for the formation of a \$40 to 50 MM EBITDA per year joint venture between Enron's LRC pipeline and Texaco Inc.'s Bridgeline pipeline. Included building all economic models and preparation of proformas and presentations for both Enron and Texaco senior management.

9/94 to 4/98

Consulting Landman - *Houston, Texas*

Performed "Due-Diligence" and provided consulting services relative to the purchase and sale of oil and gas properties for various companies including: *Unocal, Apache Oil and Gas, Cinco Energy, and OXY USA.*

11/88 to 9/94

Area Landman - *IP Petroleum Company, Inc.; Houston, Texas*

Coordinate activities and provide recommendations to Land Manager relative to all land matters on prospect areas in IP Petroleum's Gulf Coast District (Texas, Louisiana, Mississippi, Alabama).

2/86 to 11/88

Petroleum Landman - *Meridian Oil Inc.; Denver, Colorado*

Performed all real estate functions relative to various assigned prospects in several rocky mountain states including Colorado, Utah, and Wyoming.

1/84 to 2/86

Contract Landman - *Meridian Oil Inc; Houston, Texas*

Performed leasehold acquisition, contract negotiation and preparation, title review and curative relative to various Louisiana and Texas Gulf Coast prospects.

EDUCATION

M.B.A., Finance - (1998) University of Houston,

B.B.A., Petroleum Land Management (1984), University of Texas at Austin

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SECRETARY, BOARD OF
OIL, GAS & MINING

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

IN THE MATTER OF THE REQUEST FOR
AGENCY ACTION OF AXIA ENERGY, LLC
FOR AN ORDER ESTABLISHING 40-ACRE
(OR SUBSTANTIAL EQUIVALENT) DRILLING
UNITS FOR THE PRODUCTION OF OIL, GAS
AND ASSOCIATED HYDROCARBONS FROM
THE EOCENE MIDDLE AND LOWER GREEN
RIVER FORMATIONS UNDERLYING THE
THREE RIVERS AREA, COMPRISED OF
NUMEROUS LANDS IN TOWNSHIP 7 SOUTH,
RANGE 20 EAST, SLM, AND TOWNSHIPS 8
SOUTH, RANGES 20 AND 21 EAST, SLM,
UINTAH COUNTY, UTAH, AND
AUTHORIZING UP TO TWO (2) WELLS ON
EACH SUCH DRILLING UNIT SO
ESTABLISHED

**FINDINGS OF FACT,
CONCLUSIONS OF LAW AND
ORDER**

Docket No. 2013-030

Cause No. 270-02

This Cause came on for hearing before the Utah Board of Oil, Gas and Mining (the "Board") on Wednesday, October 23, 2013, at approximately 3:00 p.m., in the Auditorium of the Utah Department of Natural Resources Building in Salt Lake City. The following Board members were present and participated at the hearing: Chairman Ruland J. Gill, Jr., Kelly L. Payne, Carl F. Kendell and Michael R. Brown. Board Members Chris D. Hansen and Susan S. Davis were unable to attend. The Board was represented by Michael S. Johnson, Esq., Assistant Attorney General.

Testifying on behalf of Petitioner Axia Energy, LLC ("Axia") was Tab McGinley – Vice President of Land, Carl Dietz – Senior Consulting Geologist, and Taryn Frenzel –

Senior Completions Engineer. Mr. Dietz and Mr. Frenzel were recognized as experts in geology and petroleum engineering, respectively, for purposes of this Cause. Frederick M. MacDonald, Esq., of and for MacDonald & Miller Mineral Legal Services, PLLC, appeared as attorney for Axia.

The Division of Oil, Gas and Mining (the "Division") filed a Staff Memorandum on October 17, 2013 addressing the applicability of Utah Admin. Code Rule R649-3-11(1.1) in general and specifically, as to this Cause, questioning the Board's authority to order such rule inapplicable if notice was not provided to owners in lands adjacent to the lands at issue, but not otherwise objecting to the other relief sought in Axia's Request for Agency Action dated September 10, 2013 (the "Request"). Steven F. Alder, Esq., Assistant Attorney General, appeared as attorney for, and with the Board's permission, Dustin Doucet, Petroleum Engineer, asked questions on behalf of the Division. At the conclusion of Axia's presentation in-chief, Mr. Alder made a statement expressing the Division's support for the granting of the Request, as conformed to the testimony and other evidence provided at the hearing, as relating to the requested spacing and well density only, but renewing the Division's objection to the Board declaring Rule 649-3-11(1.1) inapplicable as to those parties not receiving proper notice of the Request.

Jerry Kenczka, Assistant Field Manager for Lands and Minerals, Vernal District Office of the United States Bureau of Land Management ("BLM"), filed a Letter on

October 21, 2013 expressing the BLM's support for the granting of the Request. However, no BLM representative made an appearance at the hearing.

No other party filed a response to the Request and no other party appeared or participated at the hearing.

The Board, having considered the testimony presented and the exhibits received into evidence at the hearing, being fully advised, and for good cause, hereby makes the following findings of fact, conclusions of law and order in this Cause.

FINDINGS OF FACT

1. Axia is a Delaware limited liability company with its principal place of business in Denver, Colorado. Axia is duly qualified to conduct business in the State of Utah, and is fully and appropriately bonded with all relevant Federal and State of Utah agencies.

2. The following Uintah County lands, to which Axia refers as its "Three Rivers" area, are currently not subject to any spacing order of the Board and therefore ostensibly remain subject to the Board's and Division's general operational rules, including Utah Admin. Code Rule R649-3-2 (the general well siting rule) requiring wells to be located in the center of a quarter-quarter section within a tolerance of 200 feet (an allowed 400-foot square "window"):

Township 7 South, Range 20 East, SLM

Section 32: NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$

Section 33: All

Section 34: All

Section 35: Lots 1 (36.55), 2 (36.94), 3 (42.07) and 4 (42.24), NE $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ [All]

Section 36: All

Township 8 South, Range 20 East, SLM

Section 2: Lots 1 (40.27), 2 (40.47), 3 (40.68), 4 (40.88), 5 (36.76), 6 (20.00), and 7 (0.8), S $\frac{1}{2}$ N $\frac{1}{2}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$, and that portion of the Green River lying therein [All]

Section 3: Lots 1 (40.80), 2 (40.88), 3 (40.96), and 4 (41.04), S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ [All]

Section 4: Lots 1 (41.06), 2 (40.90), 3 (40.74), and 4 (40.58), S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ [All]

Section 5: Lots 1 (40.48), 2 (40.48), 3 (40.48), 6 (43.78), 7 (27.06), 8 (40.36), 9 (21.26), and 10 (37.75), S $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ [All]

Section 6: Lot 2 (1.41)

Section 8: Lots 2 (34.88), 3 (17.89), 4 (40.80), 5 (42.28), and 6 (12.69), E $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ [All]

Section 9: NE $\frac{1}{4}$

Section 10: N $\frac{1}{2}$

Section 12: N $\frac{1}{2}$ N $\frac{1}{2}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$

Section 16: Lots 3 (38.00), 4 (28.50), and 5 (10.50), NW $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ [All]

Section 17: Lots 1 (23.00) and 3 (5.98) [All]

Township 8 South, Range 21 East, SLM

Section 5: Lot 3 (15.72) and that portion of the Green River lying within the NW $\frac{1}{4}$ NW $\frac{1}{4}$

Section 6: Lot 11 (38.52)

Section 7: Lots 1 (38.86) and 2 (38.97), SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$

Section 18: Lot 3 (38.63), E $\frac{1}{2}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$

(collectively the "Subject Lands").

3. The oil, gas and hydrocarbons underlying the Subject Lands are approximately one-half Federally owned, with the other one-half owned by the State of

Utah (School and Institutional Trust Lands ("TLA") administered) and in fee (private). The surface of a portion of the Subject Lands is located in environmentally sensitive areas, either due to the proximity of the Green River or because they are included within the boundaries of the Ouray Wildlife Refuge, and therefore flexibility in surface locations of wells is necessary.

4. The Eocene Middle and Lower Green River formations are defined for purposes of this Cause as follows:

the stratigraphic equivalent of the interval between the TGR₃ marker, as found at 5,019 feet (measured depth), and the base of the Utcland Butte member, as found at 6,746 feet (measured depth), in the Axia Energy Three Rivers 2-13-820 Well located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 2, T8S, R20E, SLM,

(the "Subject Formations"), and constitute one common source of oil, gas and hydrocarbons.

5. The majority of the oil, gas and hydrocarbons underlying the Subject Land, and particularly as relating to the Subject Formations, is leased to Axia.

6. The Subject Formations are comprised of complex stacked, thin sinuous discontinuous channels and shoreline-related facies, with average effective porosities of 8% and average permeability of 0.5 md. The exhibits admitted into evidence, and the testimony relating thereto, particularly outcrop studies reflected and summarized in Exhibit "M" and log comparisons of closely located (< 925 ft. apart) wells within the

Subject Lands reflected on Exhibit "N," evidence that wells located on a 20-acre well density pattern will intersect different sand bodies and therefore recover additional resources that will otherwise remain in the ground on an equivalent 40-acre well density pattern as currently authorized under the general well siting rule.

7. In accordance with the general well siting rule, Axia has drilled approximately 39 wells upon the Subject Lands of which 29 have been completed as producing oil wells from the Subject Formations.

8. Analysis of the data from the producing wells, outlined in exhibits admitted into evidence and the testimony related thereto, reflect:

- a) a fracture orientation of approximately 15° north of west for the Subject Formations, indicating a 40-acre well density pattern will result in unrecovered resources;
- b) an estimated average EUR of 371 MBO per well;
- c) a production comparison of wells closely located (< 925 feet apart) indicates little or no communication between such wells;
- d) an estimated recovery factor of 7.9% on a 20-acre well density pattern based on an average 4.08 to 5.6 MMBO original oil in place estimate, whereas a recovery factor of only 3-4% is expected on a 40-acre well density pattern; and
- e) a one year payout with a greater than 100% rate of return based on a 20-acre density pattern.

As a consequence, wells drilled to produce from the Subject Formations on a 20-acre density pattern will efficiently and economically recover resources from the Subject Lands without waste.

9. However, it is impractical, if not impossible, to create uniform standup or laydown 20-acre drilling units for the Subject Lands. In addition, because of the environmentally sensitive areas throughout the Subject Lands, Axia requires flexibility in well locations. Consequently, and particularly given the relative uniformity of mineral and leasehold ownership over each relevant 40-acre parcel within the Subject Lands, it is fair, reasonable and just to establish 40-acre (or substantially equivalent) drilling units, but allow two wells to be drilled and produce from the Subject Formations upon each such unit.

10. Due to the Green River and the boundary of the Uintah Special Meridian traversing portions of the Subject Lands, and to prevent lands from otherwise being undeveloped or in an otherwise disorderly manner, the following special drilling units should be formed to protect correlative rights:

A) Township 8 South, Range 20 East, SLM

Sec. 2: Lots 6 and 7 and that portion of the Green
River lying in Section 2
(40 acres)

B) Township 8 South, Range 20 East, SLM

Sec. 5: Lot 8

Sec. 6: Lot 2
(41.77 acres)

C) Township 8 South, Range 20 East, SLM

Sec. 5: Lots 9 and 10
(59.01 acres)

D) Township 8 South, Range 20 East, SLM

Sec. 5: Lot 7

Sec. 8: Lot 6
(39.75 acres)

E) Township 8 South, Range 20 East, SLM

Sec. 8: Lots 2 and 3
(52.77 acres)

F) Township 8 South, Range 20 East, SLM

Sec. 8: Lot 4

Sec. 17: Lots 1 and 3
(69.78 acres)

G) Township 8 South, Range 20 East, SLM

Sec. 16: Lots 4 and 5
(39 acres)

H) Township 8 South, Range 21 East, SLM

Sec. 5: Lot 3 and that portion of the Green River lying
within the NW $\frac{1}{4}$ NW $\frac{1}{4}$
(40 acres)

11. Because wells have already been drilled in the center of certain quarter-quarter sections under the general well siting rule, optimal location of a second authorized well on a 20-acre well density pattern will require it to be as close to the quarter-quarter section line as possible. Therefore, a 100-foot setback from a drilling unit boundary if the adjacent lands are within the same lease and have the same production interest owners will accommodate the optimization of such locations while still protecting correlative rights of the affected parties. In addition, by maintaining the existing 460-foot setback established under the general well siting rule from a shared drilling unit/lease boundary line, which is based on a 40-acre equivalent well density pattern, and given the lesser drainage area expected from wells on a 20-acre density pattern, the correlative rights of the owners in adjacent lands will likewise be protected.

12. Axia has represented that, due to the environmental constraints outlined in Findings of Fact No. 3 above, as well as the optimal well location circumstances outlined in Findings of Fact No. 11 above and other topographic and surface owner accommodation constraints, directional drilling of wells on the Subject Lands in all likelihood will be required. Axia has represented that, to the extent any portion of the productive intervals of any such directionally drilled well is outside of the setbacks addressed in Findings of Fact No. 11 above, it will seek an exception location approval in

accordance with Utah Admin. Code Rule R649-3-3 (or substantially entered equivalent regulation).

13. A copy of the Request was mailed, postage pre-paid, certified with return receipt requested, and properly addressed to all mineral, leasehold and production interest owners in the Subject Lands, and to TLA and the State and Vernal Field Office of the BLM as the governmental agencies having mineral jurisdiction over portions of the Subject Lands. The mailings were sent to said parties at their last addresses disclosed by the TLA, BLM and Uintah County records. Mailed notice was not provided to owners within 460-feet of the outer boundaries of the Subject Lands.

14. Notice of the filing of the Request and of the hearing thereon was duly published in the Uintah Basin Standard on October 1, 2013, the Vernal Express on October 2, 2013 and in the Salt Lake Tribune and the Deseret Morning News on October 6, 2013.

15. The vote of the Board members present and participating in the hearing on this Cause was unanimous (4-0) in favor of granting the Request subject to the modifications and exceptions outlined in the Order section below.

CONCLUSIONS OF LAW

1. Due and regular notice of the time, place and purpose of the hearing was properly given to all parties whose legally protected interests are affected by the Request

in the form and manner as required by law and the rules and regulations of the Board and Division except as addressed in Conclusion of Law No. 7 below.

2. The Board has jurisdiction over all matters covered by the Request and all interested parties therein, and has the power and authority to render the order herein set forth pursuant to Utah Code Ann. §§ 40-6-5(3)(b) and 40-6-6 and Utah Admin. Code Rule R649-2-1(2).

3. The Subject Formations, as defined in Finding of Fact No. 4 above, constitute a "common source of supply" as that phrase is defined in Utah Code Ann. § 40-6-2(19).

4. A 40-acre or substantial equivalent drilling unit as established hereunder for the Subject Formations is not smaller than the maximum area that can be efficiently and economically drained by one well.

5. Two wells are required to efficiently and economically drain each drilling unit established hereunder.

6. Establishment of well setbacks of 460 feet from a shared drilling unit/lease boundary line and 100 feet if the adjacent lands are within the same lease and have the same production interest owners is protective of correlative rights and is fair, reasonable and justified under the circumstances.

7. Notice of the Request seeking to declare Utah Admin. Code Rule R649-3-11(1.1) inapplicable only as relating to owners in lands adjacent to the other boundaries of the Subject Lands is defective and prohibits the Board from granting Axia the relief requested pertaining thereto.

8. The Board has the authority under Utah Admin. Code Rule R649-2-1(2) to modify the requirements of Utah Admin. Code Rule R649-3-11(1.1) as to the parties given proper notice of the Request seeking relief relating thereto.

9. Axia has demonstrated good cause as to why Utah Admin. Code Rule R649-3-11(1.1) should be declared inapplicable to directionally drilled wells with surface hole, productive intervals and bottom hole locations entirely within the setbacks referenced in Conclusion of Law No. 6 above, and good cause as to why the notice requirements of said rule should be modified as to owners in the lands within 460 feet of the outer boundaries of the Subject Lands.

10. The relief granted hereby will result in consistent and orderly development and the greatest recovery of oil, gas and associated hydrocarbons from the Subject Formations underlying the Subject Lands, prevent waste and adequately protect the correlative rights of all affected parties.

11. Axia has sustained its burden of proof, demonstrated good cause, and satisfied all legal requirements for the granting of the Request except as addressed above.

ORDER

Based upon the Request, testimony and evidence submitted, and the findings of fact and conclusions of law stated above, the Board hereby orders:

1. The Request in this cause is granted with the modifications outlined below.
2. 40-acre (quarter-quarter or substantially equivalent lots or combination of lots and/or river bed) drilling units for the production of oil, gas and hydrocarbons from the Subject Formations (as defined above) from the Subject Lands (as defined above), with the special drilling units identified in Findings of Fact No. 10 above, are hereby established.
3. Two (2) producing wells per drilling unit so established are hereby authorized; provided no well may be located closer than 460 feet to a shared drilling unit/lease boundary line and no closer than 100 feet if the adjacent lands are within the same lease and have the same production interest owners, without an exception location approval in accordance with Utah Admin. Code Rule R649-3-3 (or subsequently enacted equivalent regulation).
4. The existing wells producing from the Subject Formations upon the Subject Lands are declared to be at legal locations notwithstanding the relief granted herein.
5. Utah Admin. Code Rule R649-3-11(1.1) is hereby declared inapplicable to any directionally drilled well on the drilling units so established as long as the surface

hole location, all productive intervals and bottom hole location are within the set backs so established and with the caveat that, if an uphole completion closer than the set back is subsequently proposed, an exception location approval in accordance with Utah Admin. Code Rule R649-3-3 (or subsequently enacted equivalent regulation) will be required.

6. As to any directionally drilled well where the surface location is outside of the established setbacks but the productive intervals and bottom hole location are entirely within the setbacks, the requirements of Utah Admin. Code Rule R649-3-11(1.1) are hereby modified, as relating to this Cause only, to provide that Axia (or its successor operators) shall give written notice of such directional drilling to all owners within a 460-foot radius of all points along said wellbore, specifically identifying the surface hole location, points of intersection with the Subject Formations, the anticipated productive intervals, and the bottom hole location, with the latter three items by necessity required to be within the established setbacks, and outlining said owners have thirty (30) days from receipt in which to provide Axia (or its successor operators) with any objections thereto in writing. If no objections are received by Axia (or its successor operators) within said thirty (30) day period, it shall provide the Division with a written certification to that effect and, upon receipt of such certification, the Division is authorized to administratively approve the directional drilling without the need for further hearing. If any objection is timely received by Axia (or its successor operators), it shall be required

to file a Request for Agency Action with the Board and, after hearing, obtain Board approval before the directional drilling may be authorized.

7. Pursuant to Utah Admin. Code Rules R641 and Utah Code Ann. § 63G-4-204 to 208, the Board has considered and decided this matter as a formal adjudication.

8. This Order is based exclusively on evidence of record in the adjudicative proceeding or on facts officially noted, and constitutes the signed written order stating the Board's decision and the reasons for the decision, all as required by the Administrative Procedures Act, Utah Code Ann. § 63G-4-208 and Utah Administrative Code Rule R641-109.

9. Notice re: Right to Seek Judicial Review by the Utah Supreme Court or to Request Board Reconsideration: As required by Utah Code Ann. § 63G-4-208(e) - (g), the Board hereby notifies all parties in interest that they have the right to seek judicial review of this final Board Order in this formal adjudication by filing a timely appeal with the Utah Supreme Court within 30 days after the date that this Order issued. Utah Code Ann. §§ 63G-4-401(3)(a) and 403. As an alternative to seeking immediate judicial review, and not as a prerequisite to seeking judicial review, the Board also hereby notifies parties that they may elect to request that the Board reconsider this Order, which constitutes a final agency action of the Board. Utah Code Ann. § 63G-4-302, entitled, "Agency Review – Reconsideration," states:

(1)(a) Within 20 days after the date that an order is issued for which review by the agency or by a superior agency under Section 63G-4-301 is unavailable, and if the order would otherwise constitute final agency action, any party may file a written request for reconsideration with the agency, stating the specific grounds upon which relief is requested.

(b) Unless otherwise provided by statute, the filing of the request is not a prerequisite for seeking judicial review of the order.

(2) The request for reconsideration shall be filed with the agency and one copy shall be sent by mail to each party by the person making the request.

(3)(a) The agency head, or a person designated for that purpose, shall issue a written order granting the request or denying the request.

(b) If the agency head or the person designated for that purpose does not issue an order within 20 days after the filing of the request, the request for reconsideration shall be considered to be denied.

Id. The Board also hereby notifies the parties that Utah Admin. Code Rule R641-110-100, which is part of a group of Board rules entitled, "Rehearing and Modification of Existing Orders," states:

Any person affected by a final order or decision of the Board may file a petition for rehearing. Unless otherwise provided, a petition for rehearing must be filed no later than the 10th day of the month following the date of signing of the final order or decision for which the rehearing is sought. A copy of such petition will be served on each other party to the proceeding no later than the 15th day of the month.

Id. See Utah Admin. Code Rule R641-110-200 for the required contents of a petition for Rehearing. If there is any conflict between the deadline in Utah Code Ann. § 63G-4-302


and the deadline in Utah Admin. Code Rule R641-110-100 for moving to rehear this matter, the Board hereby rules that the later of the two deadlines shall be available to any party moving to rehear this matter. If the Board later denies a timely petition for rehearing, the party may still seek judicial review of the Order by perfecting a timely appeal with the Utah Supreme Court within 30 days thereafter.

The Board retains continuing jurisdiction over all the parties and over the subject matter of this cause, except to the extent said jurisdiction may be divested by the filing of a timely appeal to seek judicial review of this order by the Utah Supreme Court.

For all purposes, the Chairman's signature on a faxed copy of this Order shall be deemed the equivalent of a signed original.

DATED this 9th day of November, 2013

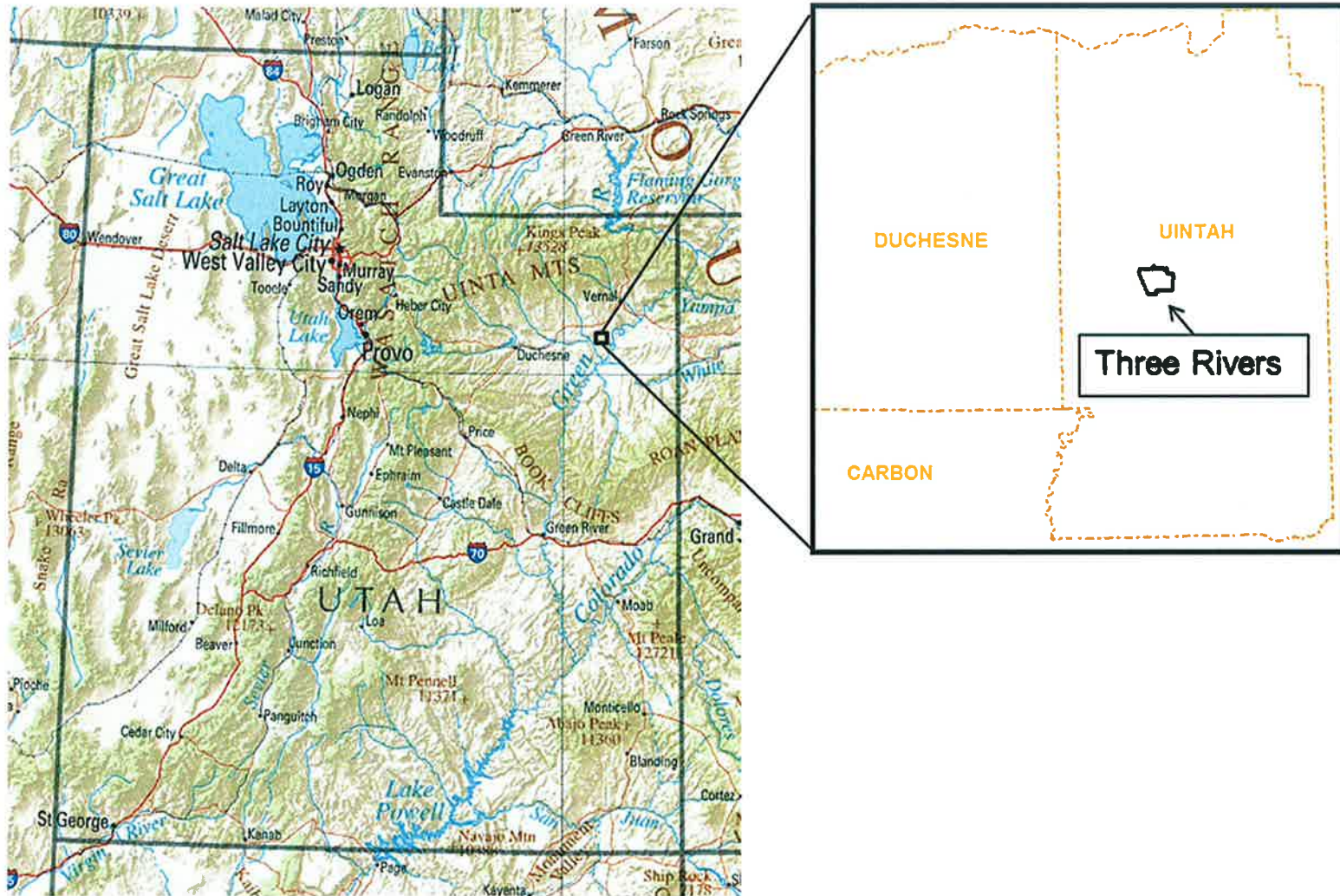
STATE OF UTAH
BOARD OF OIL, GAS AND MINING

By: 
Ruland J. Gill, Jr., Chairman

1275.01

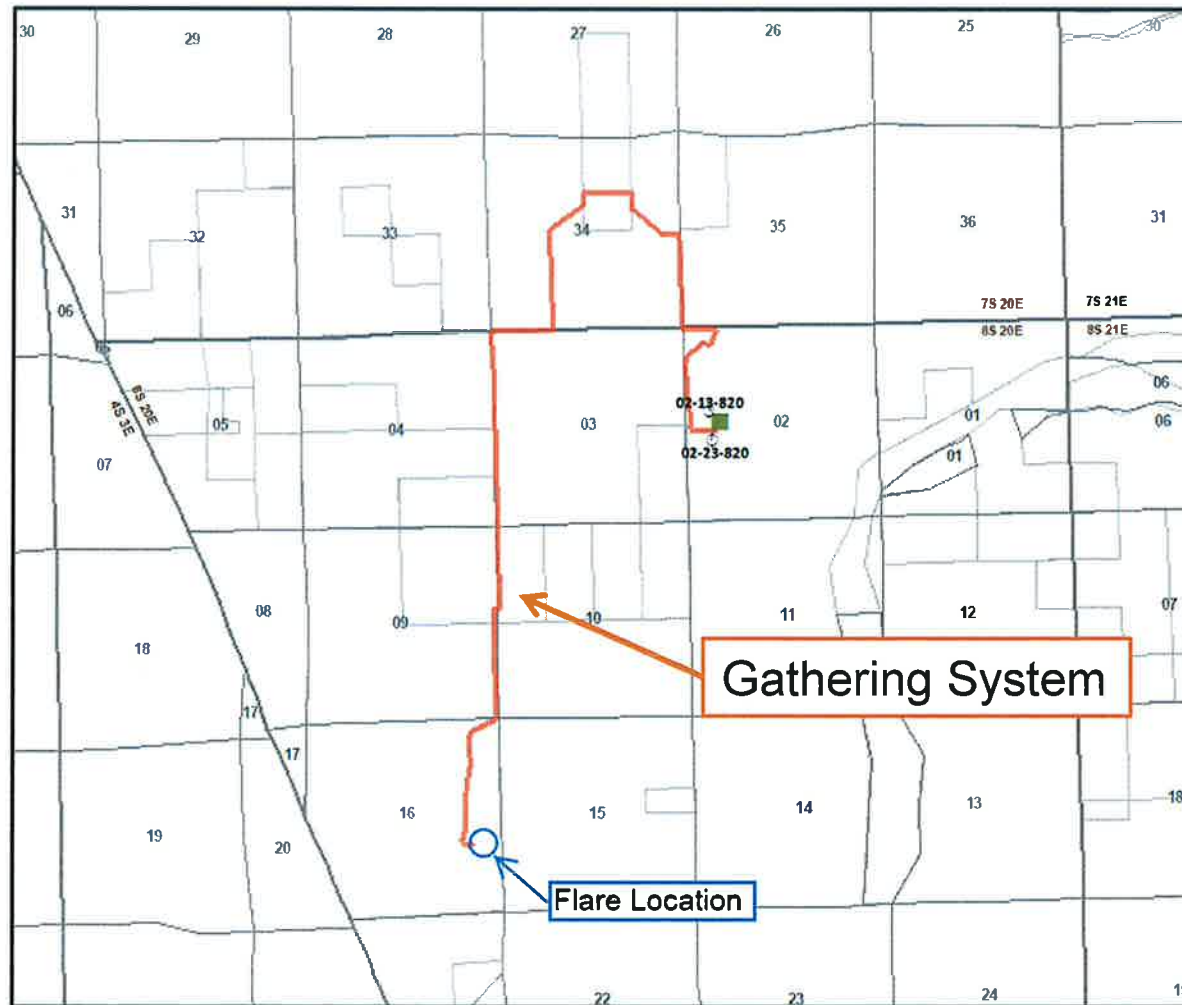


Three Rivers Locator Map





Three Rivers Gathering System

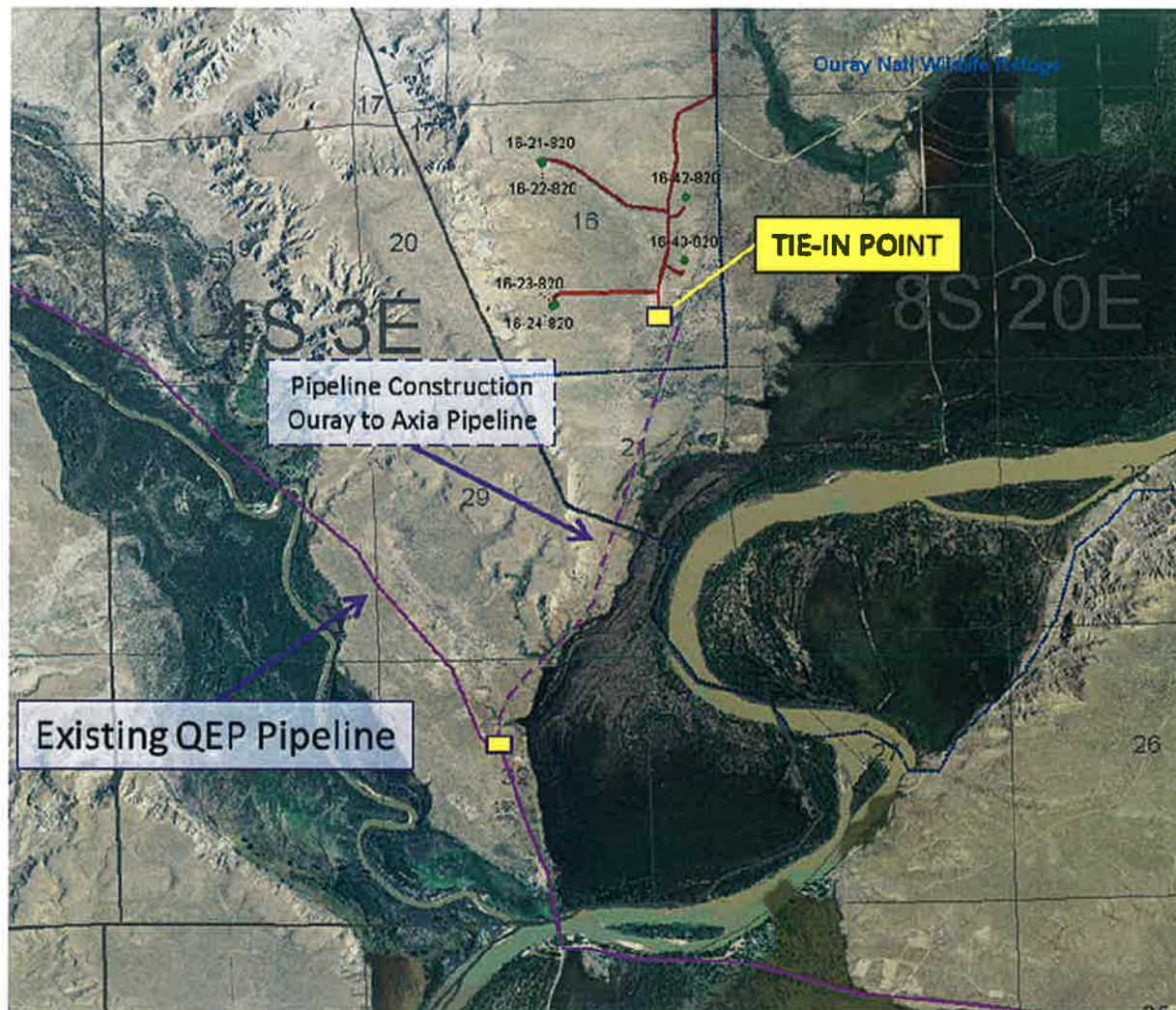


Three Rivers Area

Subject wells – tied in to
gathering system



Three Rivers Gathering System Tie-in



Three Rivers Area

Wells tied into gathering system
(solid red)

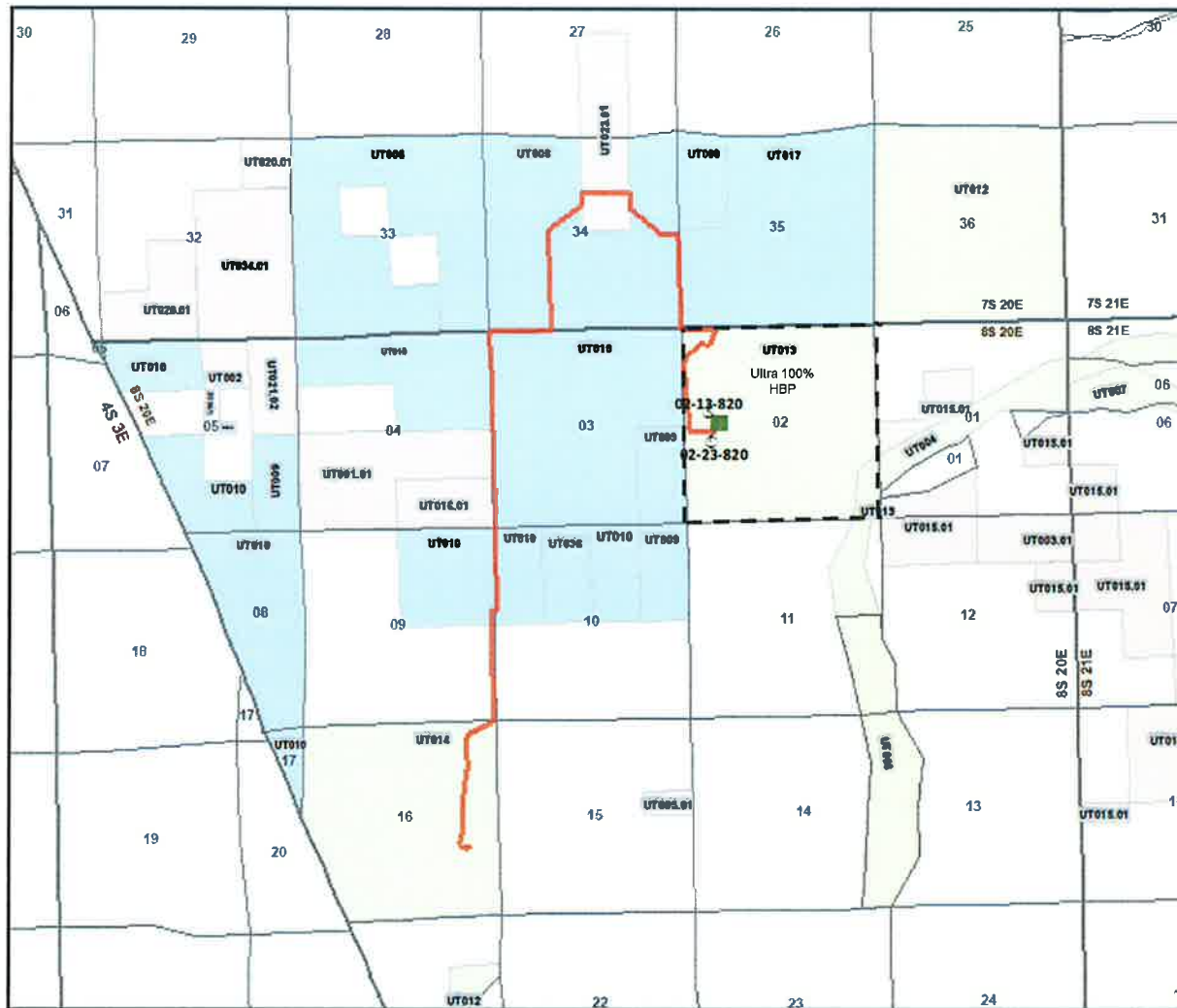
Pipeline construction from
gathering system to existing
QEP pipeline (dashed purple)

Existing QEP line (solid purple)



Three Rivers

Mineral and Leasehold Status



Three Rivers Area

Subject Wells – tied into gathering system

- Well – Surface Hole Location
- Well – Bottom Hole Location

— Gathering System

- Fee Minerals
- Federal Minerals
- State Minerals

-- All relevant leasehold held by UPL Three Rivers Holdings, LLC

Sundry Number: 45857 API Well Number: 43047526880000

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-49318			
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME:			
1. TYPE OF WELL Oil Well		8. WELL NAME and NUMBER: THREE RIVERS 2-23-820			
2. NAME OF OPERATOR: AXIA ENERGY LLC		9. API NUMBER: 43047526880000			
3. ADDRESS OF OPERATOR: 1430 Larimer Ste 400 , Denver, CO, 80202		9. FIELD and POOL or WILDCAT: THREE RIVERS			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2634 FNL 0888 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNW Section: 02 Township: 08.0S Range: 20.0E Meridian: S		COUNTY: UTAH STATE: UTAH			
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 10/1/2013 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: Variance Request </td> </tr> </table>		<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: Variance Request
<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: Variance Request			
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. <div style="text-align: center; margin-top: 10px;"> Please see attachment. </div> <div style="text-align: right; margin-top: 20px;"> Approved by the Utah Division of Oil, Gas and Mining Date: December 16, 2013 By: <u><i>Don K. Quist</i></u> </div>					
NAME (PLEASE PRINT) Cindy Turner	PHONE NUMBER 720 746-5209	TITLE Project Manager			
SIGNATURE N/A		DATE 12/12/2013			

EXHIBIT F

RECEIVED: Dec. 12, 2013

Sundry Number: 45857 API Well Number: 43047526880000

Three Rivers #2-23-820

Notice of Intent start: Oct 1, 2013

Axia Energy, LLC respectfully requests a variance to the 1800 MCF/MO limit of flaring oil production associated gas on the subject well to the next Utah Board of Oil, Gas and Mining Hearing considering the next filing date. Axia Energy has constructed gas gathering infrastructure within the field and the subject well has been tied into the system but is awaiting gas gatherer construction completion which has commenced. Axia Energy is requesting the variance to the next available Utah Board Hearing so that: a) production rates can be evaluated to properly size production equipment on the subject well and future wells, b) a decline curve can be evaluated for EUR determination and future planning of drill schedule and capital, and c) production will not be curtailed and EUR decreased due to the shut-in and potential damage to the reservoir (analogous projects operated by Axia Energy have shown a production and EUR decrease due to lengthy shut-ins). The last (Nov., '13) monthly flaring volume for the subject well was 1,938 MCF/MO and efforts will be made to minimize flaring by maximizing fuel usage until the hearing.

RECEIVED: Dec. 12, 2013

Sundry Number: 45856 API Well Number: 43047526870000

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-49318
1. TYPE OF WELL Oil Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: AXIA ENERGY LLC		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 1430 Larimer Ste 400 , Denver, CO, 80202		8. WELL NAME and NUMBER: THREE RIVERS 2-13-820
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2638 FNL 0928 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNW Section: 02 Township: 08.0S Range: 20.0E Meridian: S		9. API NUMBER: 43047526870000
5. PHONE NUMBER: 720 746-5200 Ext		9. FIELD and POOL or WILDCAT: THREE RIVERS
6. COUNTY: UTAH		7. STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 10/1/2013	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input type="text" value="Variance Request"/>	
<input type="checkbox"/> DRILLING REPORT Report Date:		
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Please see attachment.		
Approved by the Utah Division of Oil, Gas and Mining Date: December 16, 2013 By: <u>Derek Quint</u>		
NAME (PLEASE PRINT) Cindy Turner	PHONE NUMBER 720 746-5209	TITLE Project Manager
SIGNATURE N/A	DATE 12/12/2013	

RECEIVED: Dec. 12, 2013

Sundry Number: 45856 API Well Number: 43047526870000

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RECEIVED: Dec. 12, 2013



Three Rivers

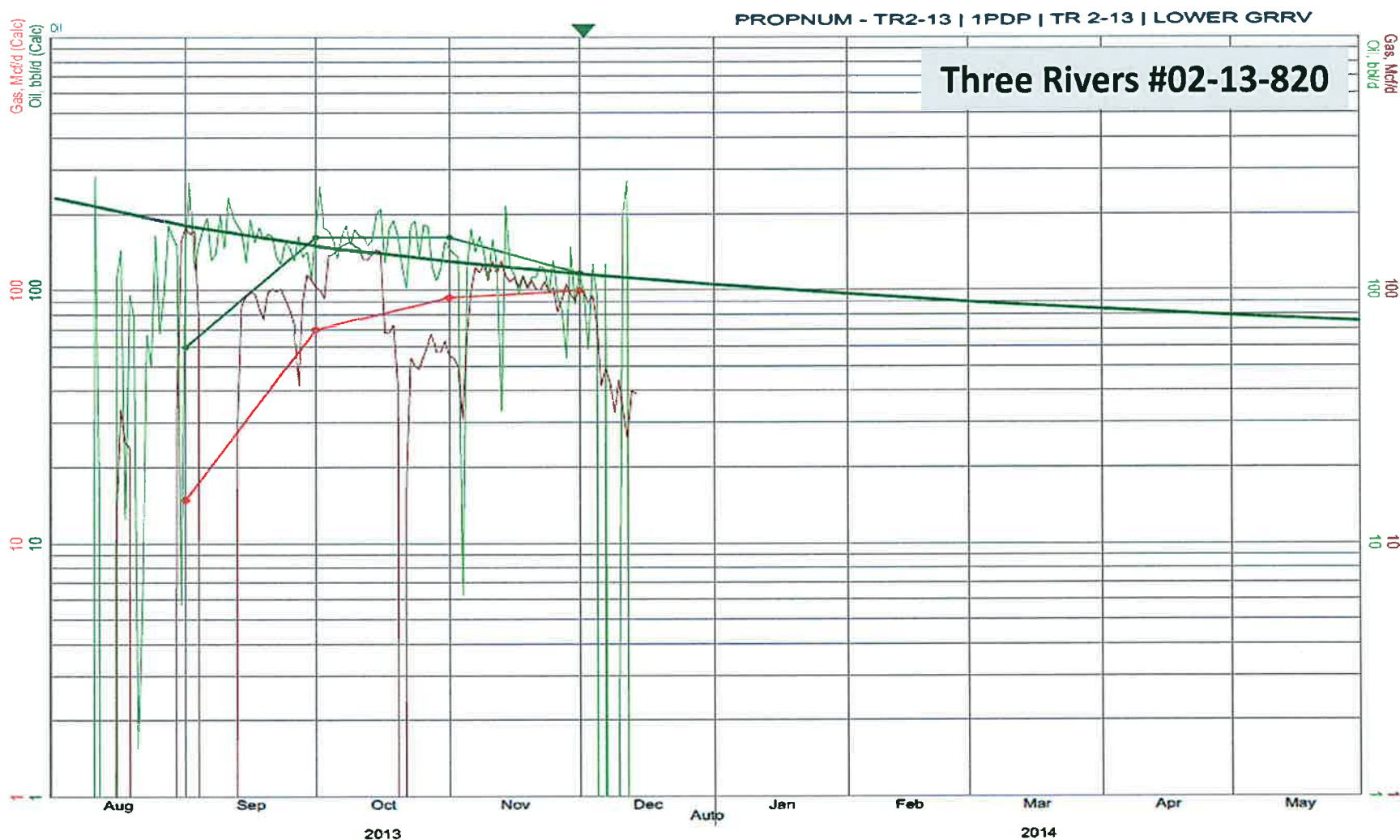
Current Production – 2 Wells

<u>Well Name</u>	<u>Current Production Oil/Month</u>	<u>Current Production Gas/Month</u>
Three Rivers #2-13-820	4,048	2,991
Three Rivers #2-23-820	3,152	2,991



Three Rivers

Three Rivers #02-13-820

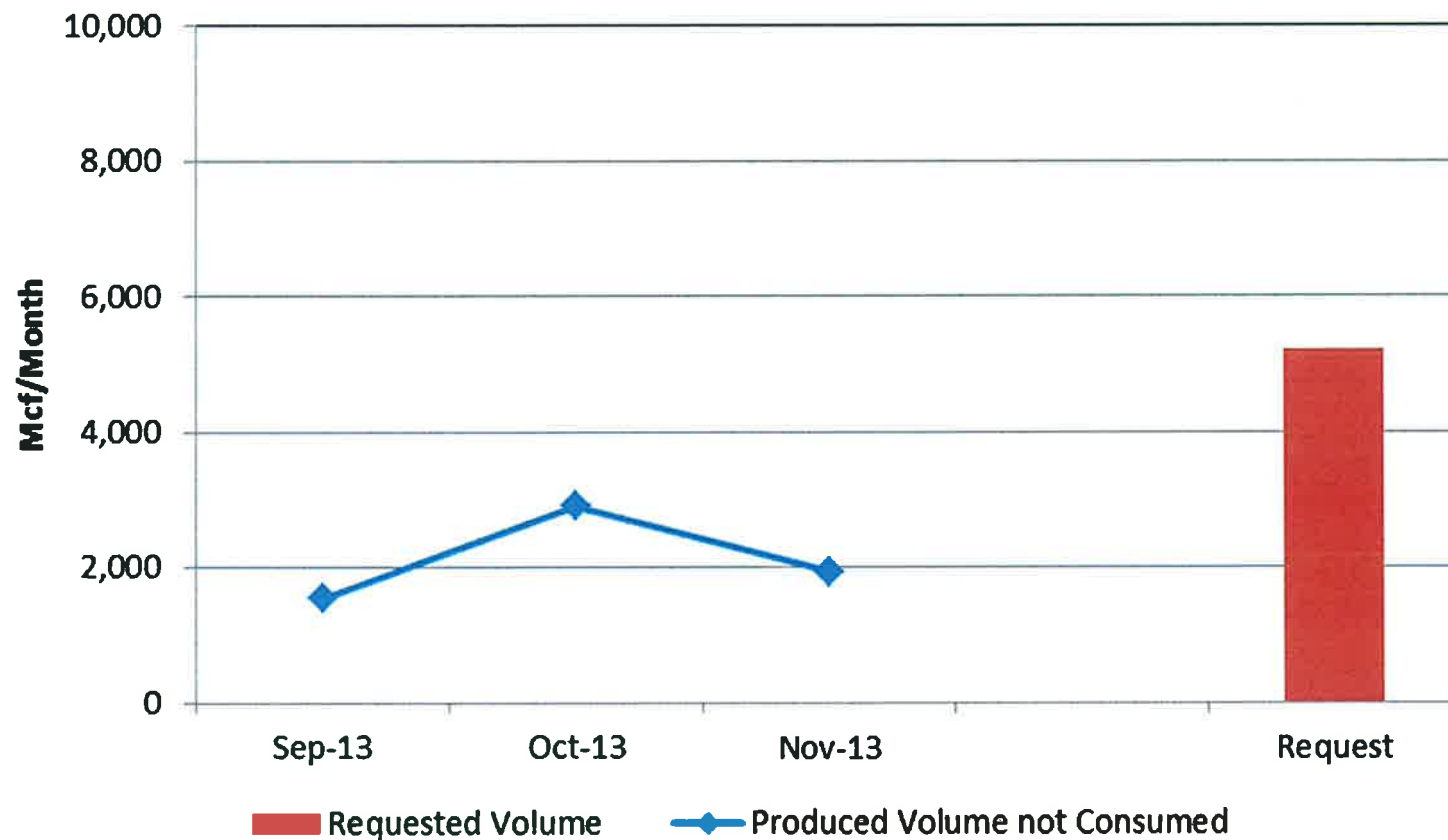




Three Rivers

Three Rivers #02-13-820

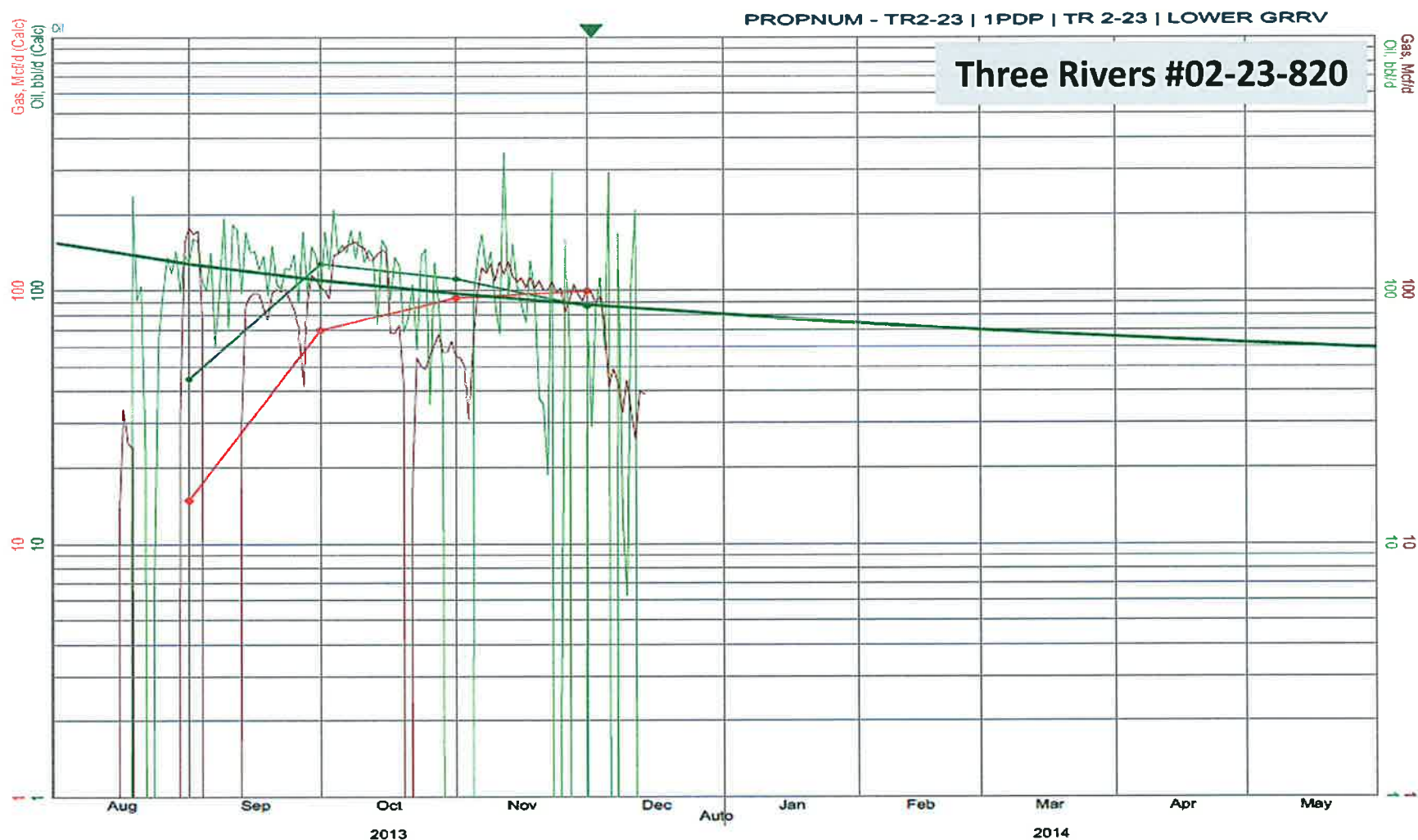
Three Rivers #2-13-820





Three Rivers

Three Rivers #02-23-820

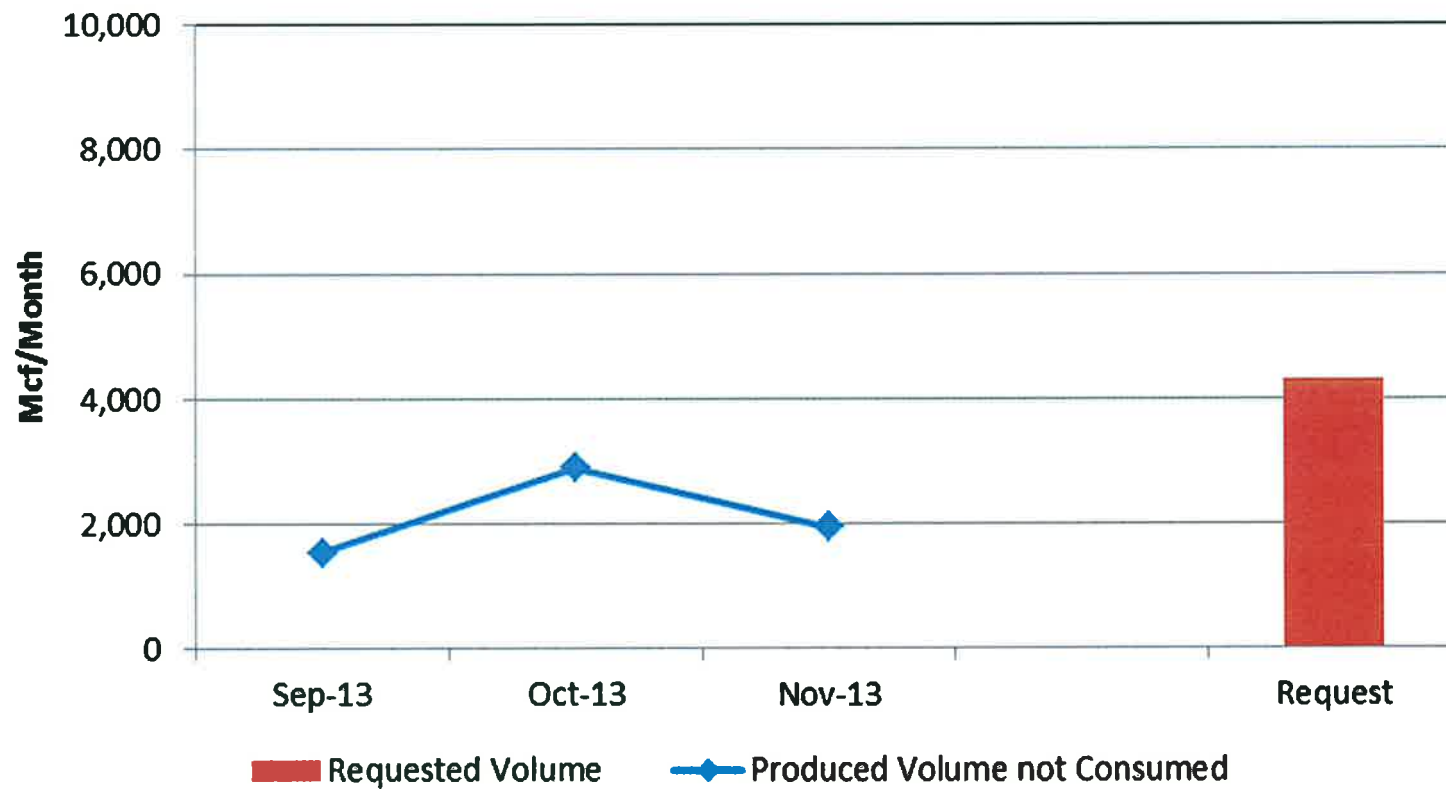




Three Rivers

Three Rivers #02-23-820

Three Rivers #2-23-820



Gas Sample Analysis

Company: Ultra
 Meter Number: TR213820
 Meter Label: TR2-13-820
 Field Name: OURAY

Analyst: PHILLIPS
 Cylinder Pressure: 0
 Line Pressure: 31

Sample Date: 01/09/2014 at 12:20:37
 Test Dates: 01/09/2014 - 01/09/2014
 Flowing Temp: 21°F

Gas Analysis by Chromatograph

NAME	MOLE%	BTU	SG	GPM
nitrogen	.7849	0	0.0076	0
methane	87.7349	888.1726	0.486	0
co2	1.2513	0	0.019	0
ethane	3.6273	64.3408	0.0377	0.9698
h2s	.0000	0	0	0
propane	3.3970	85.6697	0.0517	0.9356
ibutane	.6634	21.623	0.0133	0.217
nbutane	1.2263	40.0981	0.0246	0.3865
ipentane	.4125	16.5419	0.0103	0.1508
npentane	.3934	15.8067	0.0098	0.1426
hexanes	.2867	13.6667	0.0085	0.1179
heptanes	.1662	9.1665	0.0058	0.0767
octanes	.0530	3.3196	0.0021	0.0271
nonanes	.0031	0.2174	0.0001	0.0017
IDEAL TOTAL:	100	1158.6231	0.6765	3.0258

Gross BTU / Real Cu Ft @ 60°F				Gasoline Content	
Pressure:	14.73	14.65	15.025	Pressure:	14.73
Dry:	1162.1173	1155.7868	1185.4628	Propane GPM:	0.9356
Sat:	1143.2122	1136.8796	1166.5653	Butane GPM:	0.6035
Act. BTU:	1162.1173	1155.7868	1185.4628	Gasoline GPM:	0.5494
SpecGrav:	0.6782	0.6782	0.6783	26# Gasoline GPM:	0.7754
Z:	0.997	0.997	0.9969	Total GPM:	3.0258

Sulfur Content		Dewpoints	
Mercaptans ppm:	N/A	H2O #/mmcf:	N/A
H2S ppm:	N/A	Hydrocarbon F:	N/A
		@ psig:	N/A

Comments:

well 2-23-820 comes through this meter also



Three Rivers

Estimated Ultimate Recoveries (EUR's) – 2 Wells

<u>Well Name</u>	Oil EUR MBO	Gas EUR MMcf
Three Rivers #2-13-820	133	108
Three Rivers #2-23-820	183	140



Three Rivers

Cumulative gas flared– 2 Subject Wells

Well Name	Produced through December 2013	Produced not consumed in operations	Not consumed above 1800/mo**
Three Rivers #2-13-820	10,435 Mcf	7,273 Mcf	1,242 Mcf
Three Rivers #2-23-820	10,435 Mcf	7,273 Mcf	1,242 Mcf

****This data includes amounts flared during testing and amounts flared pursuant to Sundry Notices**



Three Rivers

Three Rivers Gas Disposition

Gas Disposition Options

■ Gas pipeline alternatives

- ❖ Other industry processes such as Compressed Natural Gas (CNG), Electrical Generation, Gas-to-liquids (GTL) or Gas Injection
 - All require high capital investment
 - Longer time frame than current estimate for pipeline (up to years vs. months)
- ❖ Lease use
 - Well is expected to produce more than equipment needs
 - Current production is between 87-210 mcf/d, expected usage is 25-35 mcf/d

■ Gas pipeline (preferred option)

- ❖ Planned infrastructure in place and will be connecting to system (1.7 mi tie in currently under construction)
- ❖ Construction is expected to be finished by April 1, 2014
- ❖ Cost effective given ability to connect current and future wells in the area



Three Rivers Flaring Justification

Flaring Justification

- Resource Recovery Impact
 - ❖ Skin damage – relative permeability changes near the wellbore
- Economic impact of shutting in wells
 - ❖ Value Impact – 2 wells producing nearly 2,760 bbls/month = 92 bbls/day
 - ❖ At \$80/bbl (realized) this equates to \$7,360/day of shut in revenue
 - ❖ Potential alternatives to flaring
 - Alternatives require high capital investment
 - Longer time frame than current estimate for pipeline (up to years vs. months)
- Flaring volume limit request is reasonable

<u>Well</u>	<u>MCF/Month</u>
Three Rivers #02-13-820	5200
Three Rivers #02-23-820	4300

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
Print your name and address on the reverse so that we can return the card to you.
Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Wasatch Oil & Gas, LLC
1010 North 500 East, Suite 320
North Salt Lake, UT 84054

A. Signature ☒ Agent
B. Received by (Printed Name) ☒ Addressee
C. Date of Delivery 1-14-14
D. Is delivery address different from item 1? ☒ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail®
☐ Registered
☐ Insured Mail
☐ Priority Mail Express™
☐ Return Receipt for Merchandise
4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number 7012 3050 0002 3389 3257
(Transfer from service label)
PS Form 3811, July 2013 Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
Print your name and address on the reverse so that we can return the card to you.
Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Utah School and Institutional Trust
Lands Administration
Attn: LaVonne Garrison
675 East 500 South, Suite 500
Salt Lake City, UT 84102

A. Signature ☒ Agent
B. Received by (Printed Name) ☒ Addressee
C. Date of Delivery 1/14/14
D. Is delivery address different from item 1? ☒ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail®
☐ Registered
☐ Insured Mail
☐ Priority Mail Express™
☐ Return Receipt for Merchandise
4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number 7012 3050 0002 3389 3233
(Transfer from service label)
PS Form 3811, July 2013 Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
Print your name and address on the reverse so that we can return the card to you.
Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
UPL Three Rivers Holdings, LLC
c/o Mary Sharon Balakas
304 Inverness Way South, Ste. 295
Englewood, CO 80112

A. Signature ☒ Agent
B. Received by (Printed Name) ☒ Addressee
C. Date of Delivery 1/16/2014
D. Is delivery address different from item 1? ☒ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail®
☐ Registered
☐ Insured Mail
☐ Priority Mail Express™
☐ Return Receipt for Merchandise
4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number 7012 3050 0002 3389 3271
(Transfer from service label)
PS Form 3811, July 2013 Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
Print your name and address on the reverse so that we can return the card to you.
Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Stonegate Resources, LLC
P.O. Box 680667
Park City, UT 84068-0667

A. Signature ☒ Agent
B. Received by (Printed Name) ☒ Addressee
C. Date of Delivery 1/14/14
D. Is delivery address different from item 1? ☒ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail®
☐ Registered
☐ Insured Mail
☐ Priority Mail Express™
☐ Return Receipt for Merchandise
4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number 7012 3050 0002 3389 3240
(Transfer from service label)
PS Form 3811, July 2013 Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
Print your name and address on the reverse so that we can return the card to you.
Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
UPL Three Rivers Holdings, LLC
c/o Mary Sharon Balakas
304 Inverness Way South, Ste. 295
Englewood, CO 80112

A. Signature ☒ Agent
B. Received by (Printed Name) ☒ Addressee
C. Date of Delivery 1/16/2014
D. Is delivery address different from item 1? ☒ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail®
☐ Registered
☐ Insured Mail
☐ Priority Mail Express™
☐ Return Receipt for Merchandise
4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number 7012 3050 0002 3389 3271
(Transfer from service label)
PS Form 3811, July 2013 Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
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